

Message Text

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11

ORIGIN OPIC-12

INFO OCT-01 EA-11 ISO-00 EB-11 XMB-07 AID-20 L-03 COME-00

TRSE-00 /065 R

66618

DRAFTED BY:OPIC/ID/NEA:AMKRAMISH:JCD

APPROVED BY: EB/IFD/OIA:MCKENNEDY

EB/IFD/OIA:WHCOURTNEY INFO

EXIM:CLARK (CLEARED PERTINENT PART)

OPIC/ID/VP:GRCOOPER JR

EB/IFD/OIA:FWMACRCKLE

EB/IFD/ODF - MLINTON (INFO)

EA/TB:MR. KLEMSTINE

----- 020165

R 162305Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY BANGKOK

UNCLAS STATE 227140

E.O. 11652: N/A

TAGS: EFIN, TH

SUBJ: NORTHROP

REF: (A) BANGKOK 17632

(B) OPIC (STATE) 201442

(C) AIDTO A457 6-19-69

1. APPRECIATE FULLY YOUR REASONS FOR WISHING TO DELAY SUBMISSION OF NORTHROP REQUEST FOR FOREIGN GOVERNMENT APPROVAL (FGA). HOWEVER, OPIC BELIEVES IT IMPORTANT THAT DTEC UNDERSTAND THAT FGA REQUEST IS ROUTINE STEP -- INDEPENDENT OF OPIC DETERMINATION OF ELIGIBILITY FOR INSURANCE.

2. WHEN INVESTOR REGISTERS WITH OPIC, HE RECEIVES INSTRUCTIONS ON HOW AND WHEN TO FILE FOR AN FGA. INVESTOR IS URGED TO FILE PROMPTLY AND IS PROVIDED WITH ADDRESS OF APPROPRIATE GOVERNMENT AGENCY. THE EMBASSY AND OPIC MAY UNCLASSIFIED

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FROM TIME TO TIME, WISH TO ASSIST THE INVESTOR IN

MAKING REQUEST TO DTEC. BUT, THIS ASSISTANCE DOES NOT CONSTITUTE U.S. SUPPORT FOR OR ENDORSEMENT OF THE PROJECT. AS NOTED IN EARLIER CORRESPONDENCE ON THIS SUBJECT (REFERENCE C), NEITHER OPIC NOR EMBASSY, IN PLAYING FACILITATIVE ROLE, ATTESTS TO BONA FIDES OF INVESTORS OR WORTHINESS OF THE PROPOSED INVESTMENT. OPIC EVALUATION OF PROJECT IS NOT UNDERTAKEN UNTIL FORMAL APPLICATION AND FGA RECEIVED. IT HAS BEEN DIFFICULT IN THE PAST TO COMMUNICATE THE FOREGOING FACTS TO DTEC, BUT OPIC BELIEVES IT IS IMPORTANT TO RESTATE THEM PERIODICALLY. IN THIS CASE, OPIC RECOMMENDS THAT, UNLESS EMBASSY BELIEVES THAT FORWARDING REQUEST AT THIS TIME WOULD BE PREJUDICIAL TO NORTHROP'S CASE, EMBASSY FORWARD INVESTOR REQUEST WITH EXPLANATION DRAWN FROM FOREGOING FACTS.

3. AS NOTED IN REFERENCE (B), OPIC HAS DISCUSSED PROJECT ON SEVERAL OCCASIONS WITH NORTHROP AND FINANCIAL INSTITUTION REPRESENTATIVES. WHILE PROJECT DEEMED INELIGIBLE FOR FINANCE DUE TO LIMITED U.S. EQUITY AND OTHER FINANCIAL CONSIDERATIONS, IT MAY NEVERTHELESS QUALIFY FOR INSURANCE AFTER FULL EVALUATION OF U.S. AND DEVELOPMENT EFFECTS, RISKS, ETC. NORTHROP PROJECT SINGLED OUT FOR SPECIAL CONSIDERATION DUE TO ADVERSE PRESS ACCOUNTS OF IMPROPRIETIES IN SECURING THE CONTRACT. BELIEVE RECENT DEVELOPMENTS SUCH AS VISIT BY STUDENTS AND POLITICAL CHANGES, AS WELL AS KNOWN OPPOSITION TO PROJECT BY CERTAIN GOT OFFICIALS, MAKE CAREFUL SCRUTINY EVEN MORE IMPORTANT.

4. OPIC HAS DISCUSSED STATUS OF THE PROJECT WITH CLARK, EXPORT-IMPORT BANK WHO, BASED ON DISCUSSIONS FOLLOWING RETURN FROM BANGKOK ADVISES THAT THERE HAS BEEN NO CHANGE OF EXPORT-IMPORT BANK POSITION DESPITE NORTHROP PRESSURES. OPIC PROPOSES TO PROCESS INVESTOR'S REQUEST IN ACCORDANCE WITH ESTABLISHED PROCEDURES, RECOGNIZING THAT PROJECT MAY FAIL DUE TO INABILITY TO ARRANGE FINANCING BY DECEMBER 31.

5. FYI. AIDAC CAPTION ON OPIC TELEGRAMS IS INAPPROPRIATE.
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